

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

IN THE MATTER OF THE CLEAN ENERGY)
PROGRAM – INCENTIVES)

ENERGY
ORDER

BPU DOCKET NO: EO02120955

BY THE BOARD

In response to statutory provisions in the Electric Discount and Energy Competition Act, Section 12a(3) N.J.S.A. 48:3-60a(3) regarding the comprehensive resource analysis (CRA) of energy programs, the Board issued its final decision and order in this proceeding on March 9, 2001 (Final Order). The order approved a number of programs intended to promote energy efficiency and renewable energy and directed that the utilities submit for Board Staff approval within thirty days of the date of the Final Order, a Program Compliance Filing (Compliance Filing). The Final Order required the Compliance Filing to include incentive levels and detailed program budgets. Such filing was submitted on April 9, 2001.

The compliance filing was submitted by Atlantic City Electric Company d/b/a Conectiv Power Delivery, Jersey Central Power & Light Company d/b/a GPU Energy, New Jersey Natural Gas Company (NJNG), NUI Elizabethtown Gas Company, Public Service Electric and Gas Company, Rockland Electric Company, and South Jersey Gas Company (collectively referred to as the "Utilities"). On November 1, 2002 the Utilities filed proposed programs and budgets for 2003 that included several proposed modifications to the Board approved programs.

On December 18, 2002, the Board authorized the establishment of the New Jersey Clean Energy Council, as advisors to the Board. The stated function of the Clean Energy Council is to provide intensive planning assistance for the administration of the programs. The Board directed that the Clean Energy Council will work with Staff to make recommendations for and assessment of detailed program plans, increase programmatic effectiveness, set goals and objectives on a program-by-program basis, modify incentives and program delivery, and monitor satisfaction and administrative efficiency. The Board also changed the name of the program to the "New Jersey Clean Energy Program."

On December 18, 2002, the Board also approved certain changes to the programs and budgets while deferring a decision on the majority of the changes proposed by the Utilities until such time as the Clean Energy Council provides recommendations to the Board regarding the proposed changes. Since that time, the Utilities have provided staff with information regarding additional changes they recommend be approved by the Board prior to review by the Clean Energy Council and provided support for such actions as described below.

The Utilities petitioned the Board to consider a series of changes to the Clean Energy Program as set forth in their 2003 Compliance Filing submitted on November 1, 2002. The Board has reviewed the proposed incentive changes and believes that certain modifications to the Commercial and Industrial Energy Efficient Construction Program within the Clean Energy Program are justified at this time, prior to the actions of the Clean Energy Council, since the modifications will prevent funds from being expended unnecessarily.

The Board finds that it would be appropriate to eliminate the incentive that encourages the use of efficient light emitting diode (LED) signal lamps on new traffic signal lights due to the fact that the New Jersey Department of Transportation now requires newly installed traffic signal lights to utilize LED signal lamps. The Board finds that it would be appropriate to continue the incentive for the replacement of existing traffic signals with efficient LED signal lamps.

The Board finds that it would be appropriate to eliminate the incentive that encourages the installation of Tier I efficiency level heating ventilation and air conditioning (HVAC) equipment because the new commercial construction code that took effect on July 16, 2002, requires the use of this equipment.

The Board recognizes that it has become standard industry practice to utilize variable frequency drives (VFDs) for HVAC variable air volume (VAV) systems in new construction. Therefore it would be appropriate to eliminate the incentive that encourages the installation of VFDs for HVAC VAV systems in new construction.

The Board finds that it would also be appropriate for the Utilities to automatically discontinue technology incentives that have been previously authorized by the Board when the technologies become required through the establishment of a state or federal regulation or law. The Board DIRECTS that, in such cases, the Utilities notify the Board by letter to the Board Secretary.

The Board HEREBY ORDERS the elimination of the LED signal lamps incentive for new traffic signal lights; the elimination of the Tier I efficiency level HVAC equipment incentive; the elimination of incentives for VFDs for HVAC VAV systems in new construction, and the future automatic elimination of incentives for technologies previously approved by the Board as they become required by state or federal regulation or law.

DATED: 2/27/03

BOARD OF PUBLIC UTILITIES
BY:

SIGNED
JEANNE M. FOX
PRESIDENT

SIGNED
FREDERICK F. BUTLER
COMMISSIONER

SIGNED
CAROL J. MURPHY
COMMISSIONER

SIGNED
CONNIE O. HUGHES
COMMISSIONER

SIGNED
JACK ALTER
COMMISSIONER

ATTEST:

SIGNED
KRISTI IZZO
SECRETARY